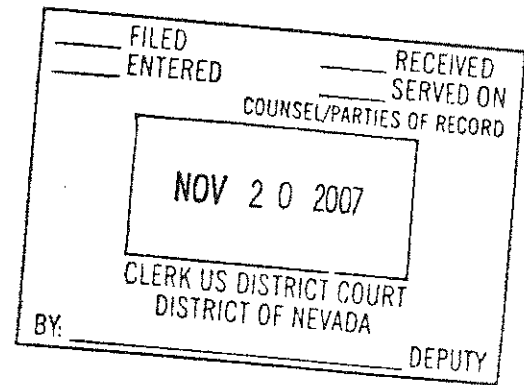


# U.S. EXHIBIT 1



STEVEN W. MYHRE  
United States Attorney  
District of Nevada  
L. ERIC JOHNSON  
Chief, Organized Crime Strike Force  
J. Gregory Damm  
Assistant United States Attorney  
Organized Crime Strike Force  
Jared E. Dwyer  
Trial Attorney, U.S. Dept. of Justice  
333 Las Vegas Blvd. South, Suite 5037  
Las Vegas, Nevada 89101  
Telephone: (702) 388-6336  
Facsimile: (702) 388-6418

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA**

-oOo-

UNITED STATES OF AMERICA,

Plaintiff,

vs.

ROBERT D. KAHRE,  
THOMAS R. BROWNE,  
DANILLE D. CLINE,  
LORI A. KAHRE,  
a.k.a. DONNA HALL,  
ALEXANDER C. LOGLIA,

Defendants.

CRIMINAL INDICTMENT  
THIRD SUPERSEDING

CR-S-05-0121-RCJ-(RJJ)

VIOLATIONS:

18 U.S.C. § 371 - Conspiracy to Defraud

18 U.S.C. § 1014 - False Statement to a Bank

18 U.S.C. § 1343 - Wire Fraud

26 U.S.C. § 7201 - Attempt to Evade or  
Defeat Tax

26 U.S.C. § 7202 - Willful Failure to Collect  
or Pay Over Tax

26 U.S.C. § 7206(1) - Filing a False U.S.  
Individual Income Tax Return

26 U.S.C. § 7212(a) - Attempts to Interfere  
with Administration of Internal Revenue Laws

# Summary of Charges

<u>Defendant</u>	<u>Count(s)</u>	<u>Charge</u>
ROBERT D. KAHRE	1	18 U.S.C. § 371 - Conspiracy to Defraud
	2 - 50	26 U.S.C. § 7202 - Willful Failure to Collect and Pay Over Tax
	51	26 U.S.C. § 7212(a) - Attempts to Interfere With The Administration of the Internal Revenue Law
	52 - 55	26 U.S.C. § 7201 - Attempt to Evade or Defeat Tax
	56	26 U.S.C. § 7212(a) - Attempts to Interfere With The Administration of the Internal Revenue Law
	59	18 U.S.C. § 1343 - Wire Fraud
THOMAS R. BROWNE	56	26 U.S.C. § 7212(a) - Attempts to Interfere With The Administration of the Internal Revenue Law
	58 - 59	18 U.S.C. § 1343 - Wire Fraud
DANILLE D. CLINE	56	26 U.S.C. § 7212(a) - Attempts to Interfere With The Administration of the Internal Revenue Law
	58 - 60	18 U.S.C. § 1343 - Wire Fraud
LORI A. KAHRE a.k.a. DONNNA HALL	1	18 U.S.C. § 371 - Conspiracy to Defraud
	51	26 U.S.C. § 7212(a) - Attempts to Interfere With The Administration of the Internal Revenue Law
	56	26 U.S.C. § 7212(a) - Attempts to Interfere With The Administration of the Internal Revenue Law
	57	18 U.S.C. § 1014 - False Statement to a Bank
	61 - 68	26 U.S.C. § 7201 - Attempt to Evade or Defeat Tax
ALEXANDER C. LOGIJA	1	18 U.S.C. § 371 - Conspiracy to Defraud
	51	26 U.S.C. § 7212(a) - Attempts to Interfere With The Administration of the Internal Revenue Law
	69 - 72	26 U.S.C. § 7201 - Attempt to Evade or Defeat Tax
	73	26 U.S.C. § 7206(1) - Filing A False Income Tax Return
	74 - 79	26 U.S.C. § 7201 - Attempt to Evade or Defeat Tax

1 THE GRAND JURY CHARGES THAT:

2 INTRODUCTORY ALLEGATIONS:

3 The Parties

4 (1) At all times relevant to this indictment, defendant ROBERT D. KAHRE  
5 was a United States citizen who resided in Las Vegas, Nevada and Saint George, Utah.  
6 Defendant ROBERT D. KAHRE owned, operated and controlled various businesses  
7 engaged in the construction trades in the Las Vegas, Nevada area.

8 (2) At all times relevant to this indictment, defendant THOMAS R.  
9 BROWNE was a United States citizen who resided in Las Vegas, Nevada. Defendant  
10 THOMAS R. BROWNE worked in the Las Vegas, Nevada area as a commissioned  
11 loan officer and real estate agent. Defendant THOMAS R. BROWNE is the ex-  
12 husband of J.B., the sister of defendant DANILLE D. CLINE.

13 (3) At all times relevant to this indictment, defendant DANILLE D. CLINE  
14 was a United States citizen who resided in Las Vegas, Nevada and Saint George, Utah.  
15 Defendant DANILLE D. CLINE is the girlfriend of defendant ROBERT D. KAHRE.  
16 Defendant DANILLE D. CLINE is also the sister of J.B., the former wife of defendant  
17 THOMAS R. BROWNE.

18 (4) At all times relevant to this indictment, defendant LORI A. KAHRE a.k.a.  
19 DONNA HALL was a United States citizen who resided in Las Vegas, Nevada. LORI  
20 A. KAHRE a.k.a. DONNA HALL is the sister of defendant ROBERT D. KAHRE.  
21 Defendant LORI A. KAHRE a.k.a. DONNA HALL worked for defendant ROBERT  
22 D. KAHRE as the office manager, accounting manager, and payroll manager for his  
23 various businesses.

24 (5) At all times relevant to this indictment, defendant ALEXANDER C.  
25 LOGLIA was a United States citizen who resided in New York, New York and Las  
26 Vegas, Nevada. Defendant ALEXANDER C. LOGLIA served as defendant ROBERT  
D. KAHRE's legal advisor and general business consultant.

Defendant ROBERT D. KAHRE'S Businesses

(6) From at least in or about January 1993 and continuing at least through May 2007, defendant ROBERT D. KAHRE owned, operated, controlled and directed a sole proprietorship known as Wright Painting and Drywall ("WPD"). WPD provided painting and drywall services in the construction industry in Las Vegas, Nevada. Defendant ROBERT D. KAHRE hired numerous employees who worked for WPD.

(7) From at least in or about January 1999 and continuing at least through May 2007, defendant ROBERT D. KAHRE owned, operated, controlled and directed a sole proprietorship known as Production Air Conditioning ("PAC"). PAC provided heating, ventilation and air conditioning services in the construction industry in Las Vegas, Nevada. Defendant ROBERT D. KAHRE hired numerous employees who worked for PAC.

(8) From at least in or about April 2000 and continuing at least through May 2007, defendant ROBERT D. KAHRE owned, operated, controlled and directed a sole proprietorship known as Production Electric ("PE"). PE provided electrical services in the construction industry in Las Vegas, Nevada. Defendant ROBERT D. KAHRE hired numerous employees who worked for PE.

(9) From at least on or about January 11, 1999 and continuing at least through May 2007, defendant ROBERT D. KAHRE owned, operated, controlled and directed a sole proprietorship known as Production Plumbing ("PP"). PP provided plumbing services in the construction industry in Las Vegas, Nevada. Defendant ROBERT D. KAHRE hired numerous employees who worked for PP.

(10) From at least on or about January 12, 1999 and continuing at least through December 29, 2005, defendant ROBERT D. KAHRE owned, operated, controlled and directed a sole proprietorship known as Sherman Tile & Marble ("STM"). STM provided tile and granite installation services in the construction industry in Las Vegas, Nevada. Defendant ROBERT D. KAHRE hired numerous employees who worked for

1 STM.

2 (11) From at least on or about July 5, 2002 and continuing at least through May  
3 2003, defendant ROBERT D. KAHRE owned, operated, controlled and directed a sole  
4 proprietorship known as Union Pacific Construction ("UPC"). UPC was a general  
5 contractor operating in the construction industry in Las Vegas, Nevada. Defendant  
6 ROBERT D. KAHRE hired numerous employees who worked for UPC.

7 The Payroll Service

8 (12) From at least January 1997 through and including at least May 2007,  
9 defendant ROBERT D. KAHRE and others known and unknown to the Grand Jury  
10 promoted, sold, marketed, directed and controlled and caused to be promoted, sold,  
11 marketed, directed and controlled a payroll service ("the Payroll Service").

12 (13) The Payroll Service was marketed and caused to be marketed by  
13 defendant ROBERT D. KAHRE and others known and unknown to the Grand Jury to  
14 other construction industry contractors in the Las Vegas, Nevada area.

15 (14) Defendant ROBERT D. KAHRE told the contractors, and caused the  
16 contractors to be told, that if defendant ROBERT D. KAHRE processed their payroll,  
17 the costs associated with the employment of their workers would be substantially  
18 reduced by using the Payroll Service.

19 (15) Over the period of time from at least January 1997 through and including  
20 at least May 2007, approximately thirty-five (35) contractors ("the Other Contractors")  
21 in the Las Vegas, Nevada area used defendant ROBERT D. KAHRE's Payroll Service.

22 (16) Defendant ROBERT D. KAHRE charged these contractors an  
23 administrative fee for use of the Payroll Service.

24 . . .

25 . . .

26 . . .

COUNT ONE  
Conspiracy  
(18 U.S.C. § 371)

(17) Paragraphs one through sixteen are re-alleged and incorporated herein.

(18) From on or about February 1, 1997, the exact date being unknown to the Grand Jury, and continuing thereafter up to and including the date of this indictment, in the District of Nevada and elsewhere,

ROBERT D. KAHRE,  
LORI A. KAHRE a.k.a. DONNA HALL, and  
ALEXANDER C. LOGLIA,

defendants herein, did unlawfully, voluntarily, intentionally and knowingly conspire, combine, confederate, and agree together and with each other and with other individuals both known and unknown to the Grand Jury to defraud the United States by deceit, craft, trickery and dishonest means for the purpose of impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of revenue, to wit: income taxes and employment taxes.

Manner and Means of the Conspiracy

(19) Among the manner and means by which defendants ROBERT D. KAHRE, ALEXANDER C. LOGLIA, and, LORI A. KAHRE a.k.a. DONNA HALL, and their co-conspirators carried out the conspiracy were the following:

(a) The defendants devised, marketed, promoted, directed, controlled, implemented, and used a payroll scheme that concealed and disguised the true amount of income received by the individuals who were paid through the payroll scheme, which included defendants ROBERT D. KAHRE, LORI A. KAHRE a.k.a. DONNA HALL, ALEXANDER C. LOGLIA, the employees of defendant ROBERT D. KAHRE's companies, and the employees of the Other Contractors who used the Payroll Service. The payroll scheme worked as follows:



- (I) Each week prior to payday, the employees would inform defendant LORI A. KAHRE a.k.a DONNA HALL and others who worked in the Kahre payroll department of the amount of pay due to them;
- (II) The payroll department would then get the necessary amount of cash to fulfill that week's payroll requirements from a bank;
- (III) On payday, after the payroll department had received the cash from a bank, the Kahre payroll department would put the amount of cash due to each employee in an envelope;
- (IV) The employee would then go to the Kahre payroll offices;
- (V) At the payroll offices, two windows were installed from which the employees picked up their weekly pay;
- (VI) At the Kahre payroll offices, the employees would receive their pay: first, the employees were required to receive their income in the form of gold or silver coins, and then immediately exchange the coins for their envelope of cash at the second window;
- (VII) The coins that the employees received had face values expressed in dollars;
- (VIII) The face values of the coins received and exchanged by the employees, however, were not the same as the amount of pay that the employee actually earned and received in the envelope of cash;
- (IX) Rather, the face amount of the coins was one-eighth of the amount of pay that the employee actually earned and received in the envelope of cash;



1 (X) For example, if a worker earned \$400.00 for his week's  
2 work and he received an envelope containing \$400.00 in  
3 cash for his week's work, the face value of the gold and  
4 silver coins that he received and exchanged would only be  
5 \$50.00;

6 (XI) The defendants nevertheless counseled, advised and  
7 instructed the employees that the income received through  
8 the payroll scheme was not taxable or that they should  
9 falsely report to the Internal Revenue Service that they only  
10 earned income in the face amount of the gold and silver  
11 coins when and if they reported their income to the Internal  
12 Revenue Service.

13 (b) The defendants paid each of the individuals participating in the  
14 payroll scheme in cash. Total cash wage payments of at least \$25 Million  
15 were paid to employees of defendant ROBERT D. KAHRE's businesses.  
16 Total cash wage payments of at least \$95 Million were paid to the  
17 employees of Other Contractors who used the Payroll Service;

18 (c) The defendants did not report to the Internal Revenue Service any  
19 payments made to individuals they paid through the payroll scheme,  
20 either at the true amount or at the bogus amount, the bogus amount being  
21 the face value of the coin or coins exchanged for cash;

22 (d) The defendants did not withhold, account for or pay over any  
23 federal income tax withholding, social security tax, or medicaid tax from  
24 the income of any individuals paid through the payroll scheme;

25 (e) The defendants did not give the individuals who were paid through  
26 the payroll scheme any Forms W-2, Forms 1099, or any other annual  
accounting that reflected the amount of income that the individuals

1 received through the payroll scheme;

2 (f) The defendants required the individuals paid through the payroll  
3 scheme to agree not to discuss the method of payment with any outside  
4 agencies;

5 (g) The defendants created false and fraudulent invoices that concealed  
6 and misrepresented the Payroll Service expenses paid by the Other  
7 Contractors;

8 (h) The defendants took steps to prevent the creation, retention, and  
9 dissemination of documents that might reveal the true and correct amount  
10 of income paid to defendant ROBERT D. KAHRE's employees and to the  
11 employees of the Other Contractors, by among other things, keeping a  
12 double set of books. The first set of books recorded the amount of cash  
13 payments made to individuals paid through the payroll scheme;

14 (i) The defendants also created a second set of books in the form of  
15 internal payroll records that purportedly reflected the weekly amount of  
16 income received by the employees; these records falsely reported only  
17 one eighth the amount of income actually received by the individuals;

18 (j) The defendants either did not file individual federal income tax  
19 returns with the Internal Revenue Service, although required to do so by  
20 law, or filed false and fraudulent individual income tax returns with the  
21 Internal Revenue Service, that failed to report any of the income received  
22 by the defendants from defendant ROBERT D. KAHRE's businesses;

23 (k) The defendants used false names on payroll records to hide the fact  
24 that they were receiving income;

25 (l) The defendants used nominees to hold legal title to assets owned  
26 by defendant ROBERT D. KAHRE in order to conceal these assets from  
the Internal Revenue Service.

Overt Acts

(20) In furtherance of the conspiracy and to effect the objects thereof, ROBERT D. KAHRE, ALEXANDER C. LOGLIA, and, LORI A. KAHRE a.k.a. DONNA HALL, and their co-conspirators, committed the following overt acts, among others, in the District of Nevada and elsewhere:

- (a) On or about February 16, 1997, LORI A. KAHRE a.k.a. DONNA HALL, using her legal name, intentionally filed or caused to be filed a false and fraudulent federal individual income tax return for the year of 1996 that omitted the income she received working for defendant ROBERT D. KAHRE;
- (b) From at least on or about January 1998 and continuing through May 2003, defendant LORI A. KAHRE a.k.a. DONNA HALL used the false name of DONNA HALL on the payroll records of defendant ROBERT D. KAHRE's businesses, instead of her legal name.
- (c) On or about February 22, 1998, LORI A. KAHRE a.k.a. DONNA HALL, using her legal name, intentionally filed or caused to be filed a false and fraudulent federal individual income tax return for the year of 1997 that omitted the income she received working for defendant ROBERT D. KAHRE;
- (d) On or about August 11, 1998, defendant ROBERT D. KAHRE caused legal title to a ranch located at 62436 Mink Lane, Summerville, Oregon, which defendant ROBERT D. KAHRE did in fact own, control and otherwise benefit from, to be placed in the name of a nominee;
- (e) On or about September 24, 1998, defendant ROBERT D. KAHRE and defendant LORI A. KAHRE a.k.a. DONNA HALL caused the

1 creation of a payroll record that reported that H.R. had been paid  
2 \$60.00, when in fact H.R. had been paid \$480.00;

3 (f) On or about January 5, 1999, defendant ROBERT D. KAHRE and  
4 defendant LORI A. KAHRE a.k.a. DONNA HALL caused the  
5 creation of a payroll record that reported that defendant  
6 ALEXANDER C. LOGLIA had been paid \$100.00, when in fact  
7 defendant ALEXANDER C. LOGLIA had been paid \$800.00;

8 (g) On or about February 22, 1999, defendant ROBERT D. KAHRE  
9 paid total cash wages of approximately \$8,621.00 to the employees  
10 of PAC and himself;

11 (h) In or about April 1999, defendant ROBERT D. KAHRE caused the  
12 filing of a false quarterly wage report with the Nevada  
13 Employment Security Division that under-reported the true amount  
14 of income paid to his employees and that failed to list the names  
15 and social security numbers of his employees;

16 (i) On or about April 15, 1999, defendant LORI A. KAHRE a.k.a.  
17 DONNA HALL, using her legal name, intentionally filed or caused  
18 to be filed a false and fraudulent federal individual income tax  
19 return for the year of 1998 that omitted the income she received  
20 working for defendant ROBERT D. KAHRE;

21 (j) On or about May 19, 1999, defendant ROBERT D. KAHRE and  
22 defendant LORI A. KAHRE a.k.a. DONNA HALL caused the  
23 creation of a payroll record that reported that M.C. had been paid  
24 \$50.00, when in fact M.C. had been paid \$400.00;

25 (k) On or about August 30, 1999, defendant ROBERT D. KAHRE  
26 paid total cash wages of approximately \$4,723.00 to the employees  
of PP;

- 1 (l) On or about September 2, 1999, defendant LORI A. KAHRE a.k.a.  
2 DONNA HALL created, or caused to be created, a false invoice for  
3 a contractor that used the Payroll Service, that listed the billed  
4 services as "LANDSCAPING" and "EXTRA MATERIALS",  
5 when in fact the invoice was for the Payroll Service not  
6 "LANDSCAPING" and the "EXTRA MATERIALS" was the fee  
7 charged by defendant ROBERT D. KAHRE;
- 8 (m) In or about October 1999, defendant ROBERT D. KAHRE caused  
9 the filing of a false quarterly wage report with the Nevada  
10 Employment Security Division that under-reported the true amount  
11 of income paid to his employees and that failed to list the names  
12 and social security numbers of his employees;
- 13 (n) In or about January 2000, defendant ROBERT D. KAHRE caused  
14 the filing of a false quarterly wage report with the Nevada  
15 Employment Security Division that under-reported the true amount  
16 of income paid to his employees and that failed to list the names  
17 and social security numbers of his employees;
- 18 (o) On or about April 5, 2000, defendant ROBERT D. KAHRE paid  
19 total cash wages of \$88,091.00 to the employees of WPD and  
20 himself;
- 21 (p) On or about April 15, 2000, defendant LORI A. KAHRE a.k.a.  
22 DONNA HALL, using her legal name, intentionally filed or caused  
23 to be filed a false and fraudulent federal individual income tax  
24 return for the year of 1999 that omitted the income she received  
25 working for defendant ROBERT D. KAHRE;
- 26 (q) On or about May 16, 2000, defendant ROBERT D. KAHRE and  
defendant LORI A. KAHRE a.k.a. DONNA HALL caused the

1 creation of a payroll record that reported the combined wages of  
2 R.P. and other PE employees for one week as \$213.00, when in  
3 fact the combined wages of R.P. and the other PE employees for  
4 one week was \$1,704.00;

5 (r) On or about June 30, 2000, defendant ROBERT D. KAHRE put  
6 real property, which he in fact owned, controlled and otherwise  
7 benefitted from, located at 6385 North Grand Canyon Drive, Las  
8 Vegas, Nevada, in the name of a nominee, specifically defendant  
9 Lori A. Kahre a.k.a. DONNA HALL;

10 (s) In or about July 2000, defendant ROBERT D. KAHRE caused the  
11 filing of a false quarterly wage report with the Nevada  
12 Employment Security Division that falsely under-reported the true  
13 amount of income paid to his employees and that failed to list the  
14 names and social security numbers of his employees;

15 (t) On or about November 28, 2000, defendant ROBERT D. KAHRE  
16 paid total cash wages of \$63,683.00 to the employees of WPD and  
17 himself;

18 (u) On or about February 1, 2001, defendant ROBERT D. KAHRE  
19 paid total cash wages of \$167,555.00 to the employees of WPD  
20 and himself;

21 (v) On or about May 29, 2001, defendant LORI A. KAHRE a.k.a.  
22 DONNA HALL created, or caused to be created, a false invoice for  
23 a contractor that used the Payroll Service, that listed the billed  
24 services as "FRAMING," when in fact the invoice was for the  
25 Payroll Service not "FRAMING;"  
26

- 1 (w) On or about May 31, 2001, defendant ROBERT D. KAHRE cashed  
2 a check for \$103,482.00 to obtain cash for use in the payroll  
3 scheme;
- 4 (x) In or about July 2001, defendant ROBERT D. KAHRE caused the  
5 filing of a false quarterly wage report with the Nevada  
6 Employment Security Division that falsely under-reported the true  
7 amount of income paid to his employees and that failed to list the  
8 names and social security numbers of his employees;
- 9 (y) On or about September 18, 2001, defendant ROBERT D. KAHRE  
10 put real property, which he in fact owned, controlled and otherwise  
11 benefitted from, located at 6295 North Grand Canyon Drive, Las  
12 Vegas, Nevada, in the name of a nominee, specifically defendant  
13 DANILLE D. CLINE;
- 14 (z) On or about September 26, 2001, defendant ROBERT D. KAHRE  
15 paid total cash wages of \$15,842.00 to the employees of PAC and  
16 himself;
- 17 (aa) On or about December 21, 2001, defendant ROBERT D. KAHRE  
18 paid total cash wages of \$14,034.00 to the employees of STM and  
19 himself;
- 20 (bb) On or about January 30, 2002, defendant ROBERT D. KAHRE  
21 paid total cash wages of \$5,815.00 to the employees of PE and  
22 himself;
- 23 (cc) On or about April 9, 2002, defendant LORI A. KAHRE a.k.a.  
24 DONNA HALL ordered, or caused to be ordered, \$161,447.00 in  
25 cash from a bank for purposes of the payroll scheme;
- 26 (dd) On or about April 10, 2002, defendant ROBERT D. KAHRE  
cashed a check for \$161,447.00 to obtain cash for use in the payroll



1 scheme;

2 (ee) On or about May 1, 2002, defendant ROBERT D. KAHRE  
3 required B.W., an employee of PAC, to sign a so-called "Private  
4 and Independent Contractor Agreement." That agreement, which  
5 purported to be, in part, an employment contract, provided no  
6 meaningful terms of employment and required that both defendant  
7 ROBERT D. KAHRE and B.W. not disclose the accounting and  
8 operation procedures of defendant ROBERT D. KAHRE's  
9 businesses;

10 (ff) On or about May 21, 2002, defendant ROBERT D. KAHRE paid  
11 total cash wages of \$1,896.00 to the employees of PE and himself;

12 (gg) On or about June 4, 2002, defendant LORI A. KAHRE a.k.a.  
13 DONNA HALL ordered, or caused to be ordered, \$12,166.00 in  
14 cash from a bank for purposes of the payroll scheme;

15 (hh) On or about June 6, 2002, defendant ROBERT D. KAHRE cashed  
16 a check for \$12,166.00 to obtain cash for use in the payroll  
17 scheme;

18 (ii) In or about July 2002, defendant ROBERT D. KAHRE caused the  
19 filing of a false quarterly wage report with the Nevada  
20 Employment Security Division that falsely under-reported the true  
21 amount of income paid to his employees and that failed to list the  
22 names and social security numbers of his employees;

23 (jj) On or about November 25, 2002, defendant ROBERT D. KAHRE  
24 put real property, which he in fact owned, controlled and otherwise  
25 benefitted from, located at 5680 Ruffian Road, Las Vegas, Nevada,  
26 in the name of a nominee, specifically defendant DANILLE D.  
CLINE;

- 1 (kk) On or about December 5, 2002, defendant ROBERT D. KAHRE  
2 paid total cash wages of \$16,377.00 to the employees of PP and  
3 himself;
- 4 (ll) On or about December 16, 2002, defendant ROBERT D. KAHRE  
5 did enter into a contract with Loomis Fargo for the weekly delivery  
6 of cash to his payroll offices; the cash was used in the payroll  
7 scheme;
- 8 (mm) On or about January 16, 2003, defendant LORI A. KAHRE a.k.a.  
9 DONNA HALL ordered, or caused to be ordered, \$146,000.00 in  
10 cash from a bank for purposes of the payroll scheme;
- 11 (nn) On or about January 25, 2003, defendant ROBERT D. KAHRE  
12 paid total cash wages of \$16,422.00 to the employees of UPC;
- 13 (oo) On or about February 5, 2003, defendant LORI A. KAHRE a.k.a.  
14 DONNA HALL ordered, or caused to be ordered, \$214,903.00 in  
15 cash from a bank for purposes of the payroll scheme;
- 16 (pp) On or about February 6, 2003, defendant ROBERT D. KAHRE  
17 cashed a check for \$214,903.00 to obtain cash for use in the payroll  
18 scheme;
- 19 (qq) On or about April 9, 2003, defendant LORI A. KAHRE a.k.a.  
20 DONNA HALL ordered, or caused to be ordered, \$211,391.00 in  
21 cash from a bank for purposes of the payroll scheme;
- 22 (rr) On or about April 10, 2003, defendant ROBERT D. KAHRE  
23 cashed checks totaling \$211,391.00 to obtain cash for use in the  
24 payroll scheme;
- 25 (ss) On or about May 13, 2003, defendant ROBERT D. KAHRE paid  
26 total cash wages of \$14,491.00 to the employees of PP and himself;
- (tt) On or about May 14, 2003, defendant LORI A. KAHRE a.k.a.

1 DONNA HALL ordered, or caused to be ordered, \$244,939.00 in  
2 cash from a bank for purposes of the payroll scheme;

3 (uu) On or about May 15, 2003, defendant ROBERT D. KAHRE  
4 cashed checks totaling \$244,939.00 to obtain cash for use in the  
5 payroll scheme;

6 (vv) In or about July 2003, defendant ROBERT D. KAHRE caused the  
7 filing of a false quarterly wage report with the Nevada  
8 Employment Security Division that falsely under-reported the true  
9 amount of income paid to his employees and that failed to list the  
10 names and social security numbers of his employees;

11 (ww) In or about July 2004, defendant ROBERT D. KAHRE caused the  
12 filing of a false quarterly wage report with the Nevada  
13 Employment Security Division that falsely under-reported the true  
14 amount of income paid to his employees and that failed to list the  
15 names and social security numbers of his employees;

16 (xx) On or about August 16, 2004, defendant ALEXANDER C.  
17 LOGLIA filed or caused to be filed a false and fraudulent federal  
18 individual income tax return for the year of 1997 that omitted the  
19 income he received working for defendant ROBERT D. KAHRE;

20 (yy) On or about August 27, 2004, defendant LORI A. KAHRE a.k.a.  
21 DONNA HALL caused a check in the amount of \$9,500.00 to be  
22 issued to B.B. Defendant LORI A. KAHRE a.k.a. DONNA HALL  
23 caused the check's memo line to read "Petty Cash." At the  
24 direction of defendant LORI A. KAHRE a.k.a. DONNA HALL,  
25 B.B. cashed the check and brought the money back to defendant  
26 ROBERT D. KAHRE's business where it was used to pay the  
employees of the Other Contractors who used the Payroll Service;

1 (zz) On or about October 22, 2004, defendant LORI A. KAHRE a.k.a.  
2 DONNA HALL caused a check in the amount of \$9,000.00 to be  
3 issued to H.R. Defendant LORIA. KAHRE a.k.a. DONNA HALL  
4 caused the check's memo line to read "Petty Cash." At the  
5 direction of defendant LORI A. KAHRE a.k.a. DONNA HALL,  
6 H.R. cashed the check and brought the money back to defendant  
7 ROBERT D. KAHRE's business where it was used to pay the  
8 employees of the Other Contractors who used the Payroll Service;

9 (aaa) On or about May 12, 2004, defendant ROBERT D. KAHRE put  
10 real property, which he in fact owned, controlled and otherwise  
11 benefitted from, located at 590 Sugar Leo Circle, St. George, Utah,  
12 in the name of a nominee, specifically defendant DANILLE D.  
13 CLINE;

14 (bbb) In or about October 2005, defendant ROBERT D. KAHRE caused  
15 the filing of a false quarterly wage report with the Nevada  
16 Employment Security Division that falsely under-reported the true  
17 amount of income paid to his employees and that failed to list the  
18 names and social security numbers of his employees;

19 All in violation of Title 18, United States Code, Section 371.

20 **COUNTS TWO THROUGH FIFTY**

21 **Employment Tax Charges**  
22 **(26 U.S.C. § 7202)**

23 (21) Paragraphs one, and six through eleven, are re-alleged and incorporated  
24 herein.

25 (22) On or about the dates listed in the table below, in the Federal District of  
26 Nevada, defendant ROBERT D. KAHRE conducted and was the sole proprietor of the  
following businesses, among others: (1) PAC; (2) PE; and (3) WPD, all with their

principal place of business in Las Vegas, Nevada. Defendant ROBERT D. KAIHRE, who had a duty to collect, truthfully account for, and pay over Federal Income Tax Withholdings (FITW) and Federal Insurance Contributions Act (FICA) taxes, willfully failed to collect and truthfully account for and pay over Federal Income Tax Withholdings (FITW) and Federal Insurance Contributions Act (FICA) taxes to the Internal Revenue Service, from taxable income paid to the employees of his sole proprietorships, as detailed in the table below. Each failure constitutes a separate violation (count) against ROBERT D. KAIHRE.

Count	Company	Offense Date	Approximate Total Taxable Wages	Approximate FICA not Withheld or Paid Over	Approximate FITW not Withheld or Paid Over	Approximate Total Unpaid Employment Taxes (FICA plus FITW)
2	PAC	4/30/1999	\$100,049.50	\$15,307.57	\$28,013.86	\$43,321.43
3	WPD	4/30/1999	\$318,097.00	\$48,668.84	\$89,067.16	\$137,736.00
4	PAC	7/31/1999	\$123,633.50	\$18,915.93	\$34,617.38	\$53,533.31
5	WPD	7/31/1999	\$260,731.00	\$39,891.84	\$73,004.68	\$112,896.52
6	PAC	10/31/1999	\$122,176.75	\$18,693.04	\$34,209.49	\$52,902.53
7	WPD	10/31/1999	\$270,451.00	\$41,379.00	\$75,726.28	\$117,105.28
8	PAC	1/31/2000	\$154,749.00	\$23,676.60	\$43,329.72	\$67,006.32
9	WPD	1/31/2000	\$436,732.00	\$66,820.00	\$122,284.96	\$189,104.96
10	PAC	4/30/2000	\$136,230.00	\$20,843.19	\$38,144.40	\$58,987.59
11	WPD	4/30/2000	\$502,401.00	\$76,867.35	\$140,672.28	\$217,539.63
12	PAC	7/31/2000	\$152,376.50	\$23,313.60	\$42,665.42	\$65,979.02
13	PE	7/31/2000	\$10,909.00	\$1,669.08	\$3,054.52	\$4,723.60
14	WPD	7/31/2000	\$759,827.00	\$116,253.53	\$212,751.56	\$329,005.09
15	PAC	10/31/2000	\$166,103.50	\$25,413.84	\$46,508.98	\$71,922.82
16	PE	10/31/2000	\$30,948.00	\$4,735.04	\$8,665.44	\$13,400.48

Count	Company	Offense Date	Approximate Total Taxable Wages	Approximate FICA not Withheld or Paid Over	Approximate FITW not Withheld or Paid Over	Approximate Total Unpaid Employment Taxes (FICA plus FITW)
17	WPD	10/31/2000	\$747,241.00	\$111,327.87	\$209,227.48	\$323,555.35
18	PAC	1/31/2001	\$178,141.50	\$27,255.65	\$49,879.62	\$77,135.27
19	PE	1/31/2001	\$30,154.00	\$4,613.56	\$8,443.12	\$13,056.68
20	WPD	1/31/2001	\$789,944.00	\$120,861.43	\$221,181.32	\$342,045.75
21	PAC	4/30/2001	\$164,276.50	\$25,134.30	\$45,997.42	\$71,131.72
22	PE	4/30/2001	\$35,646.00	\$5,453.84	\$9,980.88	\$15,434.72
23	WPD	4/30/2001	\$1,632,031.00	\$249,700.74	\$456,968.68	\$706,669.42
24	PAC	7/31/2001	\$129,099.00	\$19,752.15	\$36,147.72	\$55,899.87
25	PE	7/31/2001	\$38,156.00	\$5,837.87	\$10,683.68	\$16,521.55
26	WPD	7/31/2001	\$1,160,187.00	\$177,508.61	\$324,852.36	\$502,360.97
27	PAC	10/31/2001	\$167,370.00	\$25,607.61	\$46,026.75	\$71,634.36
28	PE	10/31/2001	\$34,643.00	\$5,300.38	\$9,526.83	\$14,827.20
29	WPD	10/31/2001	\$1,060,015.00	\$162,182.30	\$291,504.13	\$453,686.42
30	PAC	1/31/2002	\$186,558.00	\$28,543.37	\$51,303.45	\$79,846.82
31	PE	1/31/2002	\$34,735.00	\$5,314.46	\$9,552.13	\$14,866.58
32	WPD	1/31/2002	\$1,426,440.00	\$218,245.32	\$392,271.00	\$610,516.32
33	PAC	4/30/2002	\$127,604.00	\$19,523.41	\$34,453.08	\$53,976.49
34	PE	4/30/2002	\$42,322.00	\$6,475.27	\$11,426.94	\$17,902.21
35	WPD	4/30/2002	\$1,166,266.00	\$178,438.70	\$314,891.82	\$493,330.52
36	PAC	7/31/2002	\$155,418.00	\$23,778.95	\$41,962.86	\$65,741.81
37	PE	7/31/2002	\$29,267.00	\$4,477.85	\$7,902.09	\$12,379.94
38	WPD	7/31/2002	\$1,184,124.00	\$181,170.97	\$319,713.48	\$500,884.45
39	PAC	10/31/2002	\$225,111.00	\$34,441.98	\$60,779.97	\$95,221.95
40	PE	10/31/2002	\$77,177.00	\$11,808.08	\$20,837.79	\$32,645.87
41	WPD	10/31/2002	\$1,389,588.00	\$212,606.96	\$375,188.76	\$587,795.72



Count	Company	Offense Date	Approximate Total Taxable Wages	Approximate FICA not Withheld or Paid Over	Approximate FITW not Withheld or Paid Over	Approximate Total Unpaid Employment Taxes (FICA plus FITW)
42	PAC	1/31/2003	\$254,486.00	\$38,936.36	\$68,711.22	\$107,647.58
43	PE	1/31/2003	\$98,416.00	\$15,057.65	\$26,572.32	\$41,629.97
44	WPD	1/31/2003	\$1,576,231.00	\$241,163.34	\$425,582.37	\$666,745.71
45	PAC	4/30/2003	\$177,316.00	\$27,129.35	\$47,875.32	\$75,004.67
46	PE	4/30/2003	\$78,815.00	\$12,058.70	\$21,280.05	\$33,338.75
47	WPD	4/30/2003	\$971,234.00	\$148,598.80	\$262,233.18	\$410,831.98
48	PAC	7/31/2003	\$123,937.00	\$18,962.36	\$33,462.99	\$52,425.35
49	PE	7/31/2003	\$42,807.00	\$6,549.47	\$11,557.89	\$18,107.36
50	WPD	7/31/2003	\$383,985.00	\$58,749.71	\$103,675.95	\$162,425.66

All in violation of Title 26, United States Code, Section 7202.

### **COUNT FIFTY-ONE**

Attempts to Interfere with Administration of Internal Revenue Law  
(26 U.S.C. § 7212(a))

(23) Paragraphs one, and four through sixteen, are re-alleged and incorporated herein.

(24) On or about February 1, 1997, and continuing thereafter up to and including at least May 2007, in the Federal District of Nevada, defendant ROBERT D. KAHRE, defendant LORI A. KAHRE a.k.a. DONNA HALL, and defendant ALEXANDER C. LOGLIA, did corruptly endeavor to obstruct or impede the due administration of the internal revenue laws by designing, promoting and utilizing a payroll scheme, intended to impair and impede the Internal Revenue Service's ability



1 to assess and collect income and employment taxes, to wit: by paying workers in cash,  
2 attempting to conceal said payments, by intentionally recording understated payments  
3 made to workers, and by failing to file the required information returns with the  
4 Internal Revenue Service.  
5

6 All in violation of Title 26, United States Code, Section 7212(a) and Title 18,  
7 United States Code, Section 2.  
8

9 **COUNTS FIFTY-TWO THROUGH FIFTY-FIVE**

10 Attempt to Evade or Defeat Tax  
11 (26 U.S.C. § 7201)

12 (25) Paragraphs one, and six through sixteen are re-alleged and incorporated  
13 herein.  
14

15 (26) That during the calendar years 1999, 2000, 2001 and 2002, defendant  
16 ROBERT D. KAHRE, had and received taxable income in the amounts identified in  
17 the table below; that upon said taxable income there was owing to the United States  
18 of America an income tax in the amounts identified in the table below; that  
19 well-knowing and believing the foregoing facts, defendant ROBERT D. KAHRE on  
20 or about the dates listed in the table below and continuing through at least the date of  
21 the indictment, in the District of Nevada, did willfully attempt to evade and defeat the  
22 said income tax due and owing by him to the United States of America for said  
23 calendar years by failing to make an income tax return on or before the applicable  
24  
25  
26

1 statutory due date, as required by law, to any proper officer of the Internal Revenue  
2 Service, by failing to pay to the Internal Revenue Service said income tax, and by  
3 committing the following affirmative acts of evasion, among others: being paid in cash,  
4 attempting to conceal his true and correct income, placing funds and property in the  
5 names of nominees, and concealing and attempting to conceal from all proper officers  
6 of the United States of America his true and correct income.  
7  
8  
9  
10

<i>Count</i>	<i>Year</i>	<i>Offense Date</i>	<i>Approximate Taxable Income</i>	<i>Approximate Tax Due and Owing</i>
52	1999	April 15, 2000	\$246,763.00	\$90,616.00
53	2000	April 15, 2001	\$589,174.00	\$234,089.00
54	2001	April 15, 2002	\$639,084.00	\$251,714.00
55	2002	April 15, 2003	\$478,151.00	\$182,169.00

16 All in violation of Title 26, United States Code, Section 7201.

17  
18 **COUNT FIFTY-SIX**

19 Attempts to Interfere with Administration of Internal Revenue Law  
20 (26 U.S.C. § 7212(a))

21 (27) On or about April 15, 1993, and continuing thereafter up to and including  
22 the date of this indictment, in the Federal District of Nevada and elsewhere, defendants  
23 ROBERT D. KAHRE, THOMAS R. BROWNE, DANILLE D. CLINE, and LORI A.  
24 KAHRE a.k.a. DONNA HALL, did corruptly endeavor to obstruct or impede the due  
25 administration of the internal revenue laws by concealing and attempting to conceal  
26

1 from the Internal Revenue Service, the nature and extent of defendant ROBERT D.  
2 KAHRE's assets, and the location thereof by placing funds and property in the names  
3 of nominees.  
4

5 (28) The means by which the defendants did corruptly endeavor to obstruct the  
6 administration of the internal revenue laws include, but are not limited to:  
7

8 (a) On or about August 11, 1998, and continuing through the date of  
9 this indictment, defendant ROBERT D. KAHRE caused legal title to a  
10 ranch located at 62436 Mink Lane, Summerville, Oregon, which  
11 defendant ROBERT D. KAHRE did in fact own, control and otherwise  
12 benefit from, to be held in the name of a nominee.  
13

14 (b) On or about June 30, 2000, defendant ROBERT D. KAHRE,  
15 defendant LORI A. KAHRE a.k.a. DONNA HALL, and defendant  
16 THOMAS R. BROWNE caused legal title to real property located at 6385  
17 North Grand Canyon Drive, Las Vegas, Nevada, which defendant  
18 ROBERT D. KAHRE did in fact own, control and otherwise benefit from,  
19 to be placed in the name of a nominee, specifically defendant LORI A.  
20 KAHRE a.k.a. DONNA HALL. From thereafter until on or about  
21 October 17, 2002, defendant ROBERT D. KAHRE and defendant LORI  
22 A. KAHRE a.k.a. DONNA HALL maintained legal title to said property  
23  
24  
25  
26

1 in the name of nominee and defendant LORI A. KAHRE a.k.a. DONNA  
2 HALL.

3  
4 (c) On or about September 18, 2001, defendant ROBERT D. KAHRE,  
5 defendant DANILLE D. CLINE, and defendant THOMAS R. BROWNE  
6 caused legal title to real property located at 6295 North Grand Canyon  
7 Drive, Las Vegas, Nevada, which defendant ROBERT D. KAHRE did in  
8 fact own, control and otherwise benefit from, to be placed in the name of  
9 a nominee, specifically defendant DANILLE D. CLINE.  
10

11  
12 (d) On or about November 25, 2002, defendant ROBERT D. KAHRE,  
13 defendant DANILLE D. CLINE, and defendant THOMAS R. BROWNE,  
14 caused legal title to real property located at 5680 Ruffian Road, Las  
15 Vegas, Nevada, which defendant ROBERT D. KAHRE did in fact own,  
16 control and otherwise benefit from, to be placed in the name of a  
17 nominee, specifically defendant DANILLE D. CLINE.  
18

19  
20 (e) On or about May 12, 2004, defendant ROBERT D. KAHRE and  
21 defendant DANILLE D. CLINE, caused legal title to real property located  
22 at 590 Sugar Leo Circle, St. George, Utah, which defendant ROBERT D.  
23 KAHRE did in fact own, control and otherwise benefit from, to be placed  
24 in the name of a nominee, specifically defendant DANILLE D. CLINE.  
25  
26

1 All in violation of Title 26, United States Code, Section 7212(a) and Title 18  
2 United States Code, Section 2.

3  
4 **COUNT FIFTY-SEVEN**  
5 False Statements to a Bank  
6 (18 U.S.C. § 1014)

7 (29) Paragraph four is re-alleged and incorporated herein.

8 (30) From on or about May 18, 2000, through on or about June 26, 2000, in the  
9 Federal District of Nevada, defendant LORI A. KAHRE a.k.a. DONNA HALL  
10 knowingly made a material false statement and report, and willfully overvalued  
11 property and security for the purpose of influencing the action of Bank of America,  
12 N.A., an institution the accounts of which were insured by the Federal Deposit  
13 Insurance Corporation, in connection with an application and loan for the purchase of  
14 real property located at 6385 North Grand Canyon Drive, in that the defendant  
15 represented that she was the owner/operator of Wright Painting; that her gross monthly  
16 income was \$13,500.00; that her net worth of businesses owned was \$700,000.00; and,  
17 that her husband signed a quitclaim deed releasing any interest he may have had in the  
18 property located at 6385 North Grand Canyon Drive, when in truth and in fact, as the  
19 defendant well knew, she was not the owner/operator of Wright Painting; that her true  
20 gross monthly income was approximately \$2,650.00; that she had no ownership  
21 interest in Wright Painting; and, that her husband did not sign a quitclaim deed  
22  
23  
24  
25  
26

1 releasing any interest he may have had in the property located at 6385 North Grand  
2 Canyon Drive.

3  
4 All in violation of Title 18, United States Code, Section 1014.

5 **COUNT FIFTY-EIGHT**

6 Wire Fraud  
7 (18 U.S.C. § 1343)

8 **Introduction**

9 (31) At all times relevant to this indictment, First Source Financial USA was  
10 a mortgage brokerage business located in Henderson, Nevada.

11  
12 (32) At all times relevant to this indictment, Chase Manhattan Mortgage  
13 Corporation was a mortgage lender located in Diamond Bar, California.

14  
15 (33) At all times relevant to this indictment, defendant THOMAS R.  
16 BROWNE was a commissioned loan officer working for First Source Financial USA.

17  
18 (34) At all times relevant to this indictment, defendant DANILLE D. CLINE  
19 was a resident of Las Vegas, Nevada, and the loan applicant and nominee purchaser  
20 of real estate located at 6295 North Grand Canyon Drive, Las Vegas, Nevada.

21  
22 (35) During the period from on or about August 23, 2001, to September 24,  
23 2001, in the State and Federal District of Nevada, defendants THOMAS R. BROWNE  
24 and DANILLE D. CLINE did knowingly and intentionally devise and attempt to devise  
25 a scheme and artifice to defraud Chase Manhattan Mortgage Corporation, and to obtain  
26

1 moneys, funds, and credits owned by and under the custody and control of Chase  
2 Manhattan Mortgage Corporation by means of materially false and fraudulent  
3 pretenses, representations and promises, to wit: the defendants concealed the true  
4 creditworthiness of the loan applicant when they caused materially false information  
5 to be included in loan application papers submitted for the financing of residential  
6 property located at 6295 North Grand Canyon Drive, Las Vegas, Nevada.  
7  
8

9 The Scheme and Artifice To Defraud  
10

11 (36) It was part of the scheme and artifice to defraud that defendants THOMAS  
12 R. BROWNE and DANILLE D. CLINE needed to conceal the true employment history  
13 and creditworthiness of defendant DANILLE D. CLINE, the prospective nominee  
14 buyer of the above-referenced residential property, in order to increase the probability  
15 of defendant DANILLE D. CLINE obtaining financing with Chase Manhattan  
16 Mortgage Corporation.  
17  
18

19 (37) It was a further part of the scheme and artifice to defraud that defendants  
20 THOMAS R. BROWNE and DANILLE D. CLINE artificially and fraudulently  
21 inflated the creditworthiness of defendant DANILLE D. CLINE by fraudulently listing  
22 her as a three year employee of Browne, Inc., a company owned by defendant  
23 THOMAS R. BROWNE.  
24  
25  
26



1 (38) It was a further part of the scheme and artifice to defraud that defendants  
2 THOMAS R. BROWNE and DANILLE D. CLINE fraudulently represented to the  
3 lender, Chase Manhattan Mortgage Corporation, that defendant DANILLE D. CLINE  
4 was employed by Browne, Inc., as an Asset Management Consultant earning gross  
5 monthly income of \$8,400.00.  
6

7  
8 (39) It was a further part of the scheme and artifice to defraud that defendants  
9 THOMAS R. BROWNE and DANILLE D. CLINE concealed material information  
10 from Chase Manhattan Mortgage Corporation in order to fraudulently inflate the true  
11 creditworthiness of defendant DANILLE D. CLINE in an effort to maximize the  
12 probability that she would receive loan approval. Defendant THOMAS R. BROWNE  
13 additionally received a commission following the closing of the residential loan in  
14 question.  
15  
16

17 The Wire Communication  
18

19 (40) On or about September 18, 2001, in the State and Federal District of  
20 Nevada, the defendants THOMAS R. BROWNE and DANILLE D. CLINE, for the  
21 purpose of executing the herein-described scheme to defraud, did knowingly cause to  
22 be transmitted in interstate commerce, by means of a wire communication, certain  
23 signs, signals and sounds, that is: a wire transfer of \$279,523.48 from Chase  
24  
25  
26

1 Manhattan Mortgage Corporation in Diamond Bar, California, to Bank West of  
2 Nevada, in Las Vegas, Nevada.

3  
4 All in violation of Title 18, United States Code, Sections 1343 and 2.

5 **COUNT FIFTY-NINE**

6 Wire Fraud  
7 (18 U.S.C. § 1343)

8 **Introduction**

9  
10 (41) At all times relevant to this indictment, Desert Funding was a mortgage  
11 brokerage business located in Las Vegas, Nevada.

12  
13 (42) At all times relevant to this indictment, Greenpoint Mortgage Funding,  
14 Inc., was a mortgage lender located in Phoenix, Arizona.

15  
16 (43) At all times relevant to this indictment, defendant THOMAS R.  
17 BROWNE was a commissioned loan officer working for Desert Funding.

18  
19 (44) At all times relevant, defendant DANILLE D. CLINE was a resident of  
20 Las Vegas, Nevada, and the loan applicant and nominee purchaser of real estate  
21 located at 5680 Ruffian Road, Las Vegas, Nevada.

22  
23 (45) At all times relevant to this indictment, defendant ROBERT D. KAHRE  
24 was a resident of Las Vegas, Nevada, and the boyfriend of defendant DANILLE D.  
25 CLINE.

1 (46) At all times relevant to this indictment, The Coin Shop, Inc., was a dealer  
2 in gold and silver coins located in Farmington, New Mexico.

3  
4 (47) During the period from on or about October 15, 2002 through November  
5 22, 2002, in the Federal District of Nevada, defendants THOMAS R. BROWNE,  
6 DANILLE D. CLINE and ROBERT D. KAHIRE did knowingly and intentionally  
7 devise and attempt to devise a scheme and artifice to defraud Greenpoint Mortgage  
8 Funding, Inc., and to obtain moneys, funds, and credits owned by and under the  
9 custody and control of Greenpoint Mortgage Funding, Inc., by means of materially  
10 false and fraudulent pretenses, representations and promises, to wit: the defendants  
11 concealed the true creditworthiness of the loan applicant when they caused materially  
12 false information to be included in loan application papers submitted for the financing  
13 of residential property located at 5680 Ruffian Road, Las Vegas, Nevada.  
14

15  
16  
17 The Scheme and Artifice to Defraud  
18

19 (48) It was part of the scheme and artifice to defraud that defendants THOMAS  
20 R. BROWNE and DANILLE D. CLINE needed to conceal the true employment history  
21 and creditworthiness of defendant DANILLE D. CLINE, the prospective nominee  
22 buyer of the above-referenced residential property, in order to increase the probability  
23 of defendant DANILLE D. CLINE obtaining financing with Greenpoint Mortgage  
24 Funding, Inc.  
25  
26

1 (49) It was a further part of the scheme and artifice to defraud that defendants  
2 THOMAS R. BROWNE and DANILLE D. CLINE artificially and fraudulently  
3 inflated the creditworthiness of defendant DANILLE D. CLINE by fraudulently listing  
4 her as a four-year employee of Browne, Inc., a company owned by defendant  
5 THOMAS R. BROWNE.  
6

7  
8 (50) It was a further part of the scheme and artifice to defraud that defendants  
9 THOMAS R. BROWNE and DANILLE D. CLINE fraudulently represented to the  
10 lender, Greenpoint Mortgage Funding, Inc., that defendant DANILLE D. CLINE was  
11 employed by Browne, Inc., as an "Account Rep" earning gross monthly income of  
12 \$25,000.00.  
13  
14

15 (51) It was a further part of the scheme and artifice to defraud that defendants  
16 THOMAS R. BROWNE and DANILLE D. CLINE concealed material information  
17 from Greenpoint Mortgage Funding, Inc., in order to fraudulently inflate the true  
18 creditworthiness of defendant DANILLE D. CLINE in an effort to maximize the  
19 probability that she would receive loan approval. Defendant THOMAS R. BROWNE  
20 additionally received a commission following the closing of the residential loan in  
21 question.  
22  
23

24 (52) It was a further part of the scheme and artifice to defraud that defendants  
25 DANILLE D. CLINE and ROBERT D. KAHIRE fraudulently represented to the lender,  
26

1 Greenpoint Mortgage Funding, Inc., that defendant DANILLE D. CLINE had  
2 purchased \$300,500.00 worth of gold coins from The Coin Shop, Inc., located in  
3 Farmington, New Mexico, when in fact no such transaction occurred.  
4

5 (53) It was a further part of the scheme and artifice to defraud that defendants  
6 DANILLE D. CLINE and ROBERT D. KAHRE fraudulently represented to the lender,  
7 Greenpoint Mortgage Funding, Inc., that defendant DANILLE D. CLINE sold  
8 \$104,280 worth of gold coins to The Coin Shop, Inc., located in Farmington, New  
9 Mexico, when in fact no such transaction occurred.  
10  
11

12 The Wire Communication

13 (54) On or about November 22, 2002, in the State and Federal District of  
14 Nevada, the defendants THOMAS R. BROWNE, DANILLE D. CLINE and ROBERT  
15 D. KAHRE, for the purpose of executing the herein-described scheme to defraud, did  
16 knowingly cause to be transmitted in interstate commerce, by means of a wire  
17 communication, certain signs, signals and sounds, that is: a wire transfer of  
18 \$737,627.76 from Bank of New York, New York, New York, to Fidelity National Title  
19 Agency, in Las Vegas, Nevada.  
20  
21  
22

23 All in violation of Title 18, United States Code, Sections 1343 and 2.  
24  
25  
26

**COUNT SIXTY**  
Wire Fraud  
(18 U.S.C. § 1343)

**Introduction**

(55) At all times relevant to this indictment, Desert Valley Mortgage was a mortgage brokerage business located in Saint George, Utah, with branch offices located in Nevada.

(56) At all times relevant to this indictment, Countrywide Home Loans, Inc., America's Wholesale Lender, was a mortgage lender located in Calabasas, California, with branch offices located in Nevada.

(57) At all times relevant to this indictment, defendant DANILLE D. CLINE was a resident of Las Vegas, Nevada, and the loan applicant and nominee purchaser of real estate located at 590 Sugar Leo Cir., St. George, Utah.

(58) During the period from on or about March 15, 2004, to May 14, 2004, in the Federal District of Nevada, defendant DANILLE D. CLINE did knowingly and intentionally devise and attempt to devise a scheme and artifice to defraud Countrywide Home Loans, and to obtain moneys, funds, and credits owned by and under the custody and control of Countrywide Home Loans by means of materially false and fraudulent pretenses, representations and promises, to wit: the defendant concealed the true creditworthiness of herself when she caused materially false

1 information to be included in her loan application papers submitted for the financing  
2 of residential property located at 590 Sugar Leo Cir., St. George, Utah.

3  
4 The Scheme and Artifice to Defraud

5 (59) It was part of the scheme and artifice to defraud that defendant DANILLE  
6 D. CLINE needed to conceal the true employment history and creditworthiness of  
7 herself, the prospective nominee buyer of the above-referenced residential property,  
8 in order to increase the probability of defendant DANILLE D. CLINE obtaining  
9 financing with Countrywide Home Loans.  
10  
11

12 (60) It was a further part of the scheme and artifice to defraud that defendant  
13 DANILLE D. CLINE artificially and fraudulently inflated her creditworthiness by  
14 fraudulently listing herself as a two year employee of defendant ROBERT D. KAHRE,  
15 d.b.a. Sherman Granite and Tile.  
16

17 (61) It was a further part of the scheme and artifice to defraud that defendant  
18 DANILLE D. CLINE fraudulently represented to the lender, Countrywide Home  
19 Loans, that she was employed by defendant ROBERT D. KAHRE, d.b.a. Sherman  
20 Granite and Tile, as an Executive Assistant earning gross monthly income of \$10,000.  
21  
22

23 (62) It was a further part of the scheme and artifice to defraud that defendant  
24 DANILLE D. CLINE concealed material information from Countrywide Home Loans  
25  
26



1 in order to fraudulently inflate her true creditworthiness in an effort to maximize the  
2 probability that she would receive loan approval.

3  
4 The Wire Communication

5 (63) On or about May 14, 2004, in the State and Federal District of Nevada,  
6 the defendant DANILLE D. CLINE, for the purpose of executing the herein-described  
7 scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by  
8 means of a wire communication, certain signs, signals and sounds, that is a wire  
9 transfer of \$622,595.46 from The Bank of New York, New York, New York, to Zions  
10 Bank, in St. George, Utah.  
11

12 All in violation of Title 18, United States Code, Sections 1343 and 2.

13  
14 COUNT SIXTY-ONE

15 Attempt to Evade or Defeat Tax  
16 (26 U.S.C. § 7201)

17 (64) Paragraph four is re-alleged and incorporated herein.

18  
19 (65) That on or about April 15, 1999, and continuing at least through May 29,  
20 2003, in the District of Nevada, defendant LORI A. KAIHRE a.k.a DONNA HALL,  
21 who during the calendar year 1998 was married, did willfully attempt to evade and  
22 defeat a large part of the income tax due and owing by her and her spouse to the United  
23 States of America for the calendar year 1998, by, among other things, agreeing with  
24 her employer to hide from the Internal Revenue Service the fact that she was receiving  
25  
26

1 income and being paid in cash, engaging in a series of payroll transactions that  
2 concealed the true and correct amount of income earned by her, using a false name on  
3 payroll records, and preparing and causing to be prepared and filed a false and  
4 fraudulent 1998 joint U.S. Individual Income Tax Return, Form 1040, on behalf of  
5 herself and her spouse, which was filed with the Internal Revenue Service, wherein  
6 their joint taxable income for said calendar year was understated, whereas, as she then  
7 and there well knew and believed, their joint taxable income for the said calendar year  
8 was in excess of what was reported, upon which said joint taxable income there was  
9 owing to the United States of America additional income tax.  
10  
11  
12

13 All in violation of Title 26, United States Code, Section 7201.  
14  
15

16 **COUNT SIXTY-TWO**

17 Attempt to Evade or Defeat Tax  
18 (26 U.S.C. § 7201)

19 (66) Paragraph four is re-alleged and incorporated herein.

20 (67) That on or about April 15, 2000 and continuing at least through May 29,  
21 2003, in the District of Nevada, defendant LORI A. KAHRE a.k.a DONNA HALL,  
22 who during the calendar year 1999 was married, did willfully attempt to evade and  
23 defeat a large part of the income tax due and owing by her and her spouse to the United  
24 States of America for the calendar year 1999, by, among other things, agreeing with  
25  
26

1 her employer to hide from the Internal Revenue Service the fact that she was receiving  
2 and being paid in cash, engaging in a series of payroll transactions that concealed the  
3 true and correct amount of income earned by her, using a false name on payroll  
4 records, and preparing and causing to be prepared and filed a false and fraudulent 1999  
5 joint U.S. Individual Income Tax Return, Form 1040, on behalf of herself and her  
6 spouse, which was filed with the Internal Revenue Service, wherein their joint taxable  
7 income for said calendar year was understated, whereas, as she then and there well  
8 knew and believed, their joint taxable income for the said calendar year was in excess  
9 of what was reported, upon which said joint taxable income there was owing to the  
10 United States of America additional income tax.  
11  
12  
13  
14

15 All in violation of Title 26, United States Code, Section 7201.

16 **COUNTS SIXTY-THREE THROUGH SIXTY-EIGHT**

17 Attempt to Evade or Defeat Tax  
18 (26 U.S.C. § 7201)

19 (68) Paragraph four is re-alleged and incorporated herein.

20 (69) That during the calendar years 2000, 2001, 2002, 2003, 2004 and 2005,  
21 defendant LORI A. KAHRE a.k.a. DONNA HALL, had and received taxable income;  
22 that upon said taxable income there was owing to the United States of America an  
23 income tax; that well-knowing and believing the foregoing facts, defendant LORI A.  
24 KAHRE a.k.a. DONNA HALL, on or about the dates listed below and continuing  
25  
26

1 through at least May 2007, in the District of Nevada, did willfully attempt to evade and  
2 defeat the said income tax due and owing by her to the United States of America for  
3 said calendar years by failing to make an income tax return on or before the applicable  
4 statutory due date, as required by law, to any proper officer of the Internal Revenue  
5 Service, by failing to pay to the Internal Revenue Service said income tax, and by  
6 committing the following affirmative acts of evasion, among others: agreeing with her  
7 employer to hide her income from the Internal Revenue Service, being paid in cash,  
8 engaging in a series of payroll transactions that concealed the true and correct amount  
9 of income earned by her, filing false federal income tax returns, using a false name on  
10 payroll records, and concealing and attempting to conceal from all proper officers of  
11 the United States of America her true and correct income.  
12  
13  
14  
15

<i>Count</i>	<i>Year</i>	<i>Offense Date</i>	<i>Approximate Taxable Income</i>
63	2000	April 15, 2001	\$24,600.00
64	2001	April 15, 2002	\$23,750.00
65	2002	April 15, 2003	\$23,500.00
66	2003	April 15, 2004	\$25,780.00
67	2004	April 15, 2005	\$36,100.00
68	2005	April 15, 2006	\$37,100.00

23 All in violation of Title 26, United States Code, Section 7201.  
24  
25  
26

COUNT SIXTY-NINE

Attempt to Evade or Defeat Tax  
(26 U.S.C. § 7201)

(70) Paragraph five is re-alleged and incorporated herein.

(71) From on or about October 10, 1997, to on or about May 20, 2003, in the Federal District of Nevada, defendant ALEXANDER C. LOGLIA, knowing that he owed federal income tax, did willfully attempt to evade and defeat the payment of the income tax due and owing by him to the United States of America for the calendar year 1993, in the amount of \$4,383, by concealing and attempting to conceal from the Internal Revenue Service his income earned for the years 1997 through 2003, by among other things, conducting employment payroll transactions in cash, agreeing with his employer to hide his income from the Internal Revenue Service, and filing a frivolous U.S. Individual Income Tax Return for the calendar year 1993 that reported zero income.

All in violation of Title 26, United States Code, Section 7201.

COUNT SEVENTY

Attempt to Evade or Defeat Tax  
(26 U.S.C. § 7201)

(72) Paragraph five is re-alleged and incorporated herein.

(73) From on or about October 10, 1997, to on or about May 20, 2003, in the Federal District of Nevada, defendant ALEXANDER C. LOGLIA, knowing that he

1 owed federal income tax, did willfully attempt to evade and defeat the payment of the  
2 income tax due and owing by him to the United States of America for the calendar year  
3 1994, in the amount of \$6,796, by concealing and attempting to conceal from the  
4 Internal Revenue Service his income earned for the years 1997 through 2003, by  
5 among other things, conducting employment payroll transactions in cash, agreeing with  
6 his employer to hide his income from the Internal Revenue Service, and filing a  
7 frivolous U.S. Individual Income Tax Return for the calendar year 1994 that reported  
8 zero income.  
9  
10  
11

12 All in violation of Title 26, United States Code, Section 7201.

13 **COUNT SEVENTY-ONE**  
14 Attempt to Evade or Defeat Tax  
15 (26 U.S.C. § 7201)

16 (74) Paragraph five is re-alleged and incorporated herein.

17  
18 (75) From on or about October 10, 1997, to on or about May 20, 2003, in the  
19 Federal District of Nevada, defendant ALEXANDER C. LOGLIA, knowing that he  
20 owed federal income tax, did willfully attempt to evade and defeat the payment of the  
21 income tax due and owing by him to the United States of America for the calendar year  
22 1995, in the amount of \$8,640, by concealing and attempting to conceal from the  
23 Internal Revenue Service his income earned for the years 1997 through 2003, by  
24 among other things, conducting employment payroll transactions in cash, agreeing with  
25  
26

1 his employer to hide his income from the Internal Revenue Service, and filing a  
2 frivolous U.S. Individual Income Tax Return for the calendar year 1995 that reported  
3 zero income.  
4

5 All in violation of Title 26, United States Code, Section 7201.

6  
7 **COUNT SEVENTY-TWO**  
8 Attempt to Evade or Defeat Tax  
(26 U.S.C. § 7201)

9 (76) Paragraph five is re-alleged and incorporated herein.

10  
11 (77) From on or about October 10, 1997, to on or about May 20, 2003, in the  
12 Federal District of Nevada, defendant ALEXANDER C. LOGLIA, knowing that he  
13 owed federal income tax, did willfully attempt to evade and defeat the payment of the  
14 income tax due and owing by him to the United States of America for the calendar year  
15 1996, in the amount of \$8,699, by concealing and attempting to conceal from the  
16 Internal Revenue Service his income earned for the years 1997 through 2003, by  
17 among other things, conducting employment payroll transactions in cash, agreeing with  
18 his employer to hide his income from the Internal Revenue Service, and filing a  
19 frivolous U.S. Individual Income Tax Return for the calendar year 1996 that reported  
20 zero income.  
21  
22  
23

24 All in violation of Title 26, United States Code, Section 7201.  
25  
26



**COUNT SEVENTY-THREE**  
**Filing A False Income Tax Return**  
**(26 U.S.C. § 7206(1))**

(78) Paragraph five is re-alleged and incorporated herein.

(79) On or about August 11, 2004, in the Federal District of Nevada, defendant ALEXANDER C. LOGLIA, did willfully make and subscribe a 1997 U.S. Individual Income Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and was received by the Internal Revenue Service, at Fresno, California, which said 1997 U.S. Individual Income Tax Return, Form 1040, defendant ALEXANDER C. LOGLIA did not believe to be true and correct as to every material matter in that the said 1997 U.S. Individual income Tax Return, Form 1040, reported income on line 7, of \$43,267.00, whereas, as he then and there well knew and believed, his income on Form 1040, line 7, should have been in truth and in fact at least \$50,923.00.

All in violation of Title 26, United States Code, Section 7206(1).

**COUNTS SEVENTY-FOUR THROUGH SEVENTY-NINE**  
**Attempt to Evade or Defeat Tax**  
**(26 U.S.C. § 7201)**

(80) Paragraph five is re-alleged and incorporated herein.

(81) That during the calendar years 1998, 1999, 2000, 2001, 2002 and 2003, defendant ALEXANDER C. LOGLIA, had and received taxable income; that upon

1 said taxable income there was owing to the United States of America an income tax;  
2 that well-knowing and believing the foregoing facts, defendant ALEXANDER C.  
3 LOGLIA, on or about the dates listed in the table below and continuing through at least  
4 May 29, 2003, in the District of Nevada, did willfully attempt to evade and defeat the  
5 said income tax due and owing by him to the United States of America for said  
6  
7  
8 calendar years by failing to make an income tax return on or before the applicable  
9  
10 statutory due date, as required by law, to any proper officer of the Internal Revenue  
11 Service, by failing to pay to the Internal Revenue Service said income tax, and by  
12 committing the following affirmative acts of evasion, among others: agreeing with his  
13 employer to hide his income from the Internal Revenue Service, being paid in cash,  
14  
15 engaging in a series of payroll transactions that concealed the true and correct amount  
16 of income earned by him, and concealing and attempting to conceal from all proper  
17 officers of the United States of America his true and correct income.  
18

19 . . .

20 . . .

21 . . .  
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26

<i>Count</i>	<i>Year</i>	<i>Offense Date</i>	<i>Approximate Taxable Income</i>
74	1998	April 15, 1999	\$31,946.00
75	1999	April 15, 2000	\$47,694.00
76	2000	April 15, 2001	\$53,073.00
77	2001	April 15, 2002	\$55,042.00
78	2002	April 15, 2003	\$64,724.00
79	2003	April 15, 2004	\$22,003.00

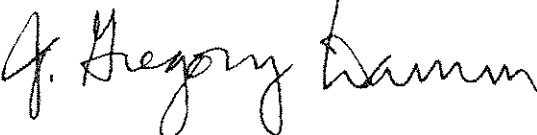
All in violation of Title 26, United States Code, Section 7201.

**DATED:** this 20<sup>th</sup> day of November, 2007.

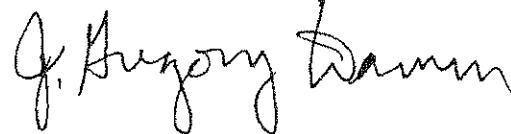
**A TRUE BILL:**

/S/  
FOREPERSON OF THE GRAND JURY

STEVEN W. MYHRE  
United States Attorney



J. GREGORY DAMM  
Assistant United States Attorney



JARED E. DWYER  
Trial Attorney  
United States Department of Justice